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DE RUEHC #0240 1352127
ZNR UUUUU ZZH
P R 152114Z MAY 09
FM SECSTATE WASHDC
TO RUEHZP/AMEMBASSY PANAMA PRIORITY 4789
INFO RUEKJCS/SECDEF WASHINGTON DC

UNCLAS STATE 050240

SENSITIVE
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E.O. 12958: N/A
TAGS: [PGOV](#) [PREL](#) [PM](#)
SUBJECT: GUIDANCE ON RESPONSE TO DIPNOTE 231/09 ON VICTIMS
OF OPERATION JUST CAUSE

REF: PANAMA 94

11. (SBU) Summary and Action Request. This cable provides guidance, as requested in reftel, for Embassy Panama to respond to Diplomatic Note 231/09 from the Panamanian Ministry of Foreign Affairs (MFA). Please deliver the following response to the MFA.

12. (SBU) Begin text:

(Complimentary Opening) and refers to the Ministry's diplomatic note AJ. 231/09 concerning claims in connection with the U.S. military action in December, 1989. In response, the Embassy is pleased to provide the following information:

The U.S. Department of State has raised this matter with appropriate offices in the U.S. Department of Defense. The Embassy understands that claims were presented to the U.S. Army Claims Service by a number of Panamanian citizens following the 1989 U.S. military action ("Operation Just Cause"). The Embassy further understands that claims were evaluated on a case-by-case basis and paid, if determined to be incident to non-combat activities of the U.S. Armed Forces, but that claims for damages resulting solely from combat activities were not paid. Lawyers for Panamanian claimants were advised that there is no U.S. legal authority to pay damages for claims arising out of Operation Just Cause, except as they were incident to non-combat activities of the U.S. Armed Forces. The U.S. Foreign Claims Act does not authorize payment of claims for damages resulting from combat activities. If the attorney on behalf of whom the Ministry is inquiring represents specific persons who wish to know the disposition of any claims that were previously filed, it is suggested that she contact the U.S. Army Claims Service with specific information regarding the claim (date filed, name of claimant, damage claimed, etc.). She may also wish to consult competent counsel in the United States regarding other questions she may have.

In this connection, the Embassy wishes to draw attention to the fact that this issue also should be considered in the broader context of the substantial U.S. assistance programs for Panama that were established following Operation Just Cause. In particular, the U.S. Congress appropriated \$420 million in Economic Support Funds in support of Panama in May 1990, and the U.S. Agency for International Development (USAID) allocated those funds to economic recovery, private sector reactivation, and development projects. Please note that the development projects included a project to fund replacement housing and living allowances for households in the El Chorrillo District of Panama City and in other areas where housing was damaged during Operation Just Cause and included a project in support of the rehabilitation of the "24 de Diciembre" apartment complex that suffered damage during Operation Just Cause. Although information concerning these U.S. assistance programs for Panama may be available from a number of

sources, the Embassy wishes to draw the Ministry,s attention to several reports on this subject issued by the U.S. General Accounting Office (now the U.S. Government Accountability Office) during the period 1990-1993, which are readily available on the U.S. Government Accountability Office,s website.

The Embassy hopes that this information will be of assistance to the Ministry. (Complimentary closing)

End text
CLINTON